



THE SET Newsletter



Bourse Welcomes New Listing 'CITY' to the SET Family

The Stock Exchange of Thailand welcomed **City Steel Pcl. (CITY)**, a manufacturer and distributor of steel, stainless, and aluminum products, to the bourse. The company listed its securities in the Property and Construction Industry Group, Construction Materials Sector, on February 23, 2006. The new listing had THB300 million (approx. USD7.61 million) in registered capital. The funds raised will be used for the expansion of the company's production capacity.

CITY became the 2nd newly-listed company on the Thai bourse in 2006.

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SET President Awarded “Financier of the Year 2005”

President of The Stock Exchange of Thailand (SET), Mr. Kittiratt Na-Ranong, becomes the first person from the Thai capital market to receive the Financier of the Year Award.

SET President, Mr. Kittiratt Na-Ranong, has been awarded Money & Banking Magazine’s Financier of the Year Award for 2005. The award was presented by the Finance Minister, Dr. Thanong Bidaya, on February 23, 2006.

Mr. Kittiratt is the 17th awardee to have received this honor. He has been selected as this year’s outstanding financier due to his visionary thinking, professionalism, high-caliber leadership and contributions to the capital market, as well as his dedication to corporate social responsibility (CSR).

Mr. Kittiratt is a key person behind the prosperity of the capital market, where he has helped make it possible for equity, debt and derivatives products to prosper side-by-side. He has also played a vital role in establishing the agricultural futures, bond, and financial futures exchanges here in Thailand.

He has continually demonstrated a high level of professionalism and integrity. He was behind the drafting of the Thai Capital Market Master Plan, which has laid a firm foundation for the market. He is also has led his organization to greater recognition by the public.

It is also noteworthy to mention his contributions to the society as a whole. He has laid out a policy for the SET in the area of CSR. Projects initiated by him include the post-tsunami building of soccer fields in three southern provinces, renovating sports complexes for youth at Chulalongkorn and Mahidol universities, supporting a music library project, hosting a youth musical challenge, supporting Thai traditional sports and sending aid relief to victims of the tsunami and southern unrest.

Mr. Kittiratt said: “*The SET is dedicated to CSR. As the judging committee for the Financier of the Year Award has considered the CSR contributions of the award recipient, the*

importance of CSR will then be better conveyed to other organizations to do the same.

“However, just allocating a large budget to CSR activities is not the answer, as there must be sustainable development. Therefore, I’d like to add that every organization should help society in such a way that the recipients will eventually be self-sustaining.”



On education, Mr. Kittiratt has initiated and helped develop a better investment culture in many ways, for all age groups of Thais. The SET has cooperated with the Ministry of Education in producing teaching materials and textbooks, which have been included in school curricula since 2001. Also, it has hosted an educational stage play and a sit-com. The SET’s investor promotion activities have included the “SET in the City” investment fair, international roadshows and “Thailand Focus”, which brought many foreign fund managers to Thailand. It has developed a lively SET library, which is open daily throughout the year. The SET has also helped develop community libraries in Bangkok, three southern provinces, and in the areas affected by the tsunami.

Other achievements of Mr. Kittiratt include his important role in the establishment of the Federation of Thai Capital Market Organizations and the Capital Market Academy.

He managed to keep the system’s brokerage fees to a minimum, to enable securities companies to better manage their costs whilst providing good quality services and avoiding price competition.

Money & Banking Magazine has been hosting the Financier of the Year Award since 1982. Of the 17 award recipients to date, Mr. Kittiratt is the first awardee to have come from the capital market. ✍

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Thai Bourse Approves Trading Via Basket Orders

On February 22, 2006, The Stock Exchange of Thailand's (SET) board approved trading via basket orders to prepare for the trading in derivatives and to help ease the burden on brokers. Basket trading is expected to become effective in mid-2006.


Trading via basket orders will enable brokers to order in batches of multiple securities instead of making individual orders one at a time. The brokers will be able to manage customer orders more efficiently, especially when they deal with derivative orders.

By facilitating derivatives investing and index arbitrage activities, basket trading will make portfolio management more efficient, especially for investment management firms with index-linked funds under management. Allowing basket orders will thus be beneficial to investors and will enable the Thai market to become more in line with other international exchanges.

Presently, basket orders are being used in several of the world's larger bourses, e.g., in Hong Kong, New York and Singapore.

Securities to be traded in basket orders must be on the SET50 list. Their buy/sell prices stated in the orders must not exceed required price intervals. Basket orders can be sent during normal trading hours, and each basket must only be made up of either buy or sell orders. Each order included in a certain basket will be queued and matched in the SET's trading system by time and price priority, similar to the trading process for normal orders.

To safeguard the system and the market, if necessary, or to prevent damage to the market, the SET may temporarily prohibit trading via basket orders.

The SET has already discussed such orders with the working committee assigned to this matter, comprised of representatives from the Association of Securities Companies, which held a hearing for SET member companies on December 22, 2005. Further steps will be undertaken to educate investors and other relevant parties. 

Thai Bourse Sets Up THB1.0 Billion Matching Fund


The Stock Exchange of Thailand's (SET) Board of Governors (BoG) resolved on February 22, 2006 to allocate THB1.0 billion (approx. USD25.3 million) budget to be used as a matching fund for the Market for Alternative Investment (mai). The fund will be used as venture capital to invest in companies that show that they have the potential to list on the mai.

The mai Matching Fund will jointly invest with Thai or foreign venture capital funds specialized in target industries, e.g., Information and Communication Technology (ICT), Media & Entertainment, Professional Services, Science & Technology, Travel & Culture, as well as Food. These are high-growth and innovative industries and are mostly operated by next-generation entrepreneurs. The mai's target industries are in line with its objective to promote businesses of the future that possess good growth potential and will help sustain the overall Thai economy.

The BoG also asked the mai to allow target businesses to propose their plans as well as to welcome the proposals of students participating in business plan competition.

To identify firms with the greatest potential, the mai will set up a special team comprised of experts from the SET and mai, as well as other industry specialists. The team will therefore be able to clearly deliver the essential information needed by both entrepreneurs and investors for making their investment decisions. The team will work closely with investment bankers, financial institutions, and academic institutions.

In addition to financial support, the BoG recognizes that advisory assistance is equally important. Thus there will be another expert team to advise businesses that the mai has invested in, to ensure that the companies will developed as planned and can eventually list on the mai. All venture proposals to the mai Matching Fund will have to be approved by the BoG.

Experienced entrepreneurs in the above target industries are invited to study more details of the fund at www.mai.or.th. 

New Sub-broker : Citicorp Securities Thailand Limited (CST) Sub-broker No. 28

Address : 82, North Sathorn Road, 22nd Floor, Saengthongthani Building, Silom, Bangrak, Bangkok 10500
Telephone : 662-232-2200 Facsimile : 662-639-2269

Changes in Name and Symbol of Listed Company

Date	Before Changing	Symbol	After Changing	Symbol
17/2/2006	Thai Engine Manufacturing Pcl.	TEM	Agro Industrial Machinery Pcl.	AMAC

Thai Listed Firms' Profits Worth Over THB500 Billion In Total, Up 13%

T Listed companies on The Stock Exchange of Thailand (SET) posted their 2005 year-end profits at THB537.39 billion (approx. USD13.6 billion), accounting for an overall 13% increase. As in the previous year, the three top industry groups with the highest net profits were Resources, Financials, and Property & Construction.

Out of total 470 listed firms on the SET, 456 firms had submitted their financial statements for the year ending December 31, 2005. In 2004, these companies recorded total net profits worth THB537.39 billion, or a 13% year-on-year (y-o-y) increase over 2004's THB474.05 billion. Of these 456 firms, 393 companies posted profits, while the remaining 63 firms posted net losses.

Companies in the SET100 index earned THB411.81 billion in net profits, or 76% of the overall net profits of all listed firms. This amount accounted for an 8% y-o-y increase. Total sales grew 24%, costs of sales rose 27%, and the gross margin rate rose 23%.

Companies in the SET50 index earned THB380.91 billion in net profits, or 71% of the overall net profits of all listed firms. This amount accounted for an 11% y-o-y increase. Total sales went up by 25%, costs of sales grew by 28%, and the gross margin rate rose 24%.

The 426 listed firms in eight industry groups (excl. companies under rehabilitation or REHABCO) recorded increased sales in every industry and sector, except for the paper and printing materials sector. These 426 companies saw total net profits of THB465.78 billion, or 87% of the overall net profits of all listed firms.

Summarized in order of greatest net profits, the eight industry groups are as follows:

1. Resources Industry Group: (comprised of the 16 companies in the energy and utility sector and one firm in the mining sector) This group's combined net profits were THB150.4 billion, a y-o-y increase of 29%. The energy & utility sector enjoyed a 39% jump in sales, while the gross profit margin remained at 16%, as a result of greater energy consumption, higher prices of crude oil and its related products.

2. Financials Industry Group: (consisted of 68 companies in the banking, finance and securities, and insurance sectors) This industry group saw net profits of THB108.79 billion, a 16% y-o-y growth.

Fourteen companies in the banking sector posted a total of THB95.39 billion in net profits, up from the THB82.76 billion in 2004, due to a 22% rise in interest and dividend incomes. Their credit and interest income rose by 4%, while the deposits and loans grew by 5%. The companies had a 20% decrease in the provision for bad and doubtful debts.

Twenty companies in the finance and securities sector (excl. hire-purchase and leasing companies) posted a 42% rise in net profits, from THB4.48 billion to THB6.36 billion. However one securities firm amortized its cost of investments at THB4.46 billion in 2004. Therefore, without this amortization, this sector would post a THB2.58 billion decrease in net profits, or by 29%. The securities industry collectively posted THB2.58 billion in net profits, down from the THB5.17 billion in the previous year. This was due to a 24% decrease in brokerage fee income as trading activities deteriorated.

3. Property & Construction Industry Group: (consists of 37 companies in the building and furnishing materials sector and 50 firms in the property development sector) This group saw net profits of THB65.29 billion, down 35% y-o-y. This was due to a 23% rise in costs of sales as the prices of construction materials and energy costs jumped. Margins, especially in the steel industry, were thus narrowed. Nevertheless, their sales recorded a 15% increase.

4. Services Industry Group: (consists of 80 companies in 6 sectors) This group posted a combined net profit of THB48.85 billion, down 10% from 2004. This was a result of a 16% increase in costs of sales. However their gross profit margin dropped only marginally, from 23% to 21%. Many of them, particularly in the Transportation and Logistics and Commerce sectors, were affected by higher oil prices.

5. Technology Industry Group: (consists of 45 firms in the communication, electronic components, and electrical products and computer sectors) This group's combined net profits amounted to THB36.19 billion, dropping 20% from 2004. Every sector, except the electronic component sector, had decreased profits. The industry faced fiercer price competition and sluggish economic conditions as oil prices increased and people were more reluctant to spend.

6. Industrials Industry Group: (consisted of 51 companies) These firms posted a combined net profit of THB33.35 billion, a 4% decrease from 2004. This drop was mainly in the automotive and packaging sectors. The group has also been affected by sluggish economic conditions caused by the oil prices continuing to increase and the deteriorating consumer spending.

7. Agro & Food Industry Group: (consists of 22 firms in the food and beverage sector and 20 companies in the agribusiness sector) This group's net profits of THB16.4 billion were a 60% y-o-y rise. The increase was mainly in the agribusiness sector, as they sold added-value products and could export more.

8. Consumer Products Industry Group: (consists of 36 companies) This group posted net profits of THB6.51

billion. The Group exhibited a marginal decline in its gross profit margin, from 22% to 20%. Their sales recorded a 3% rise.

Thirty out of the 39 companies under rehabilitation (REHABCO) have submitted financial statements. Eighteen firms enjoyed net profits, while the other 12 suffered net losses. They had a combined net profit of THB71.61 billion, increasing five-fold over THB11.67 in the previous year. The substantial increase was a result of THB47 billion in profits from debt restructuring. If these profits were excluded in both 2004 and 2005, the sector would have recorded THB24.61 billion in net profits in 2005 and THB10.67 billion in net losses in 2004. Thus the 2005 profits would be a three-fold rise over 2004.

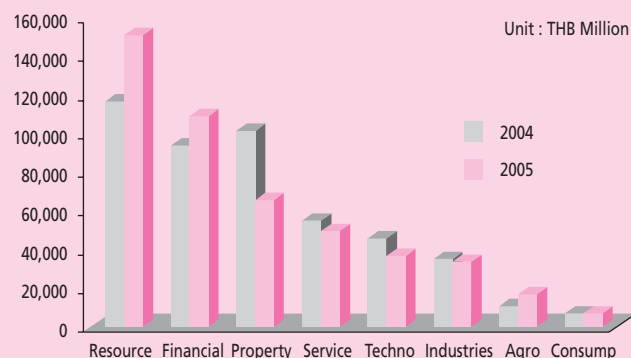
The total outstanding debts of the companies in the REHABCO sector, as of December 31, 2005, amounted to THB139.57 billion, a THB97.22 billion or 41% drop from the THB236.79 billion in the previous year.

The following is a summary of the REHABCO companies' statuses from January 1, 2005 to March 2, 2006:

- 6 companies were moved into the sector—Circuit Electronic Industries Pcl. (CIRKIT), Daidomon Group Pcl. (DAIDO), Thai-Denmark Swine Breeder Pcl. (D-MARK), Hantex Pcl. (HTX), New Plus Knitting Pcl. (NPK), and Kuang Pei San Food Products Pcl. (POMPUI).
- 9 companies were removed from the sector, and are trading in their regular sectors—Nakornthai Strip Mill Pcl. (NSM), K.C. Property Pcl. (KC), T.C.J. Asia Pcl.

(TCJ), Power-P Pcl. (POWER), Wyncoast Industrial Park Pcl. (WIN), Bangkok Ranch Pcl. (RANCH), Everland Pcl. (EVER), Inter Far East Engineering Pcl. (IFEC), and Preecha Group Pcl. (PRECHA).

Total Net Profits of Eight Industry Groups



Top Five Sector with Greatest Net Profits (Excl. Financial Institutions and REHABCO)

Sector	Net Profits (THB Million)		Growth (%)	Proportion to All Listed Cos. (%)	Proportion to Industry Group (%)
	2005	2004			
1. Energy & Utilities	149,832	116,248	29	28	100
2. Banking	95,387	82,757	15	18	88
3. Construction Materials	42,646	69,936	(39)	8	65
4. Transportation & Logistics	31,298	34,037	(8)	6	64
5. Communication	26,397	34,984	(25)	5	73

Top Ten Companies Sector with Greatest Net Profits, Sales and Assets (Excl. Financial Institutions and REHABCO)

	Symbol	Net Profits		Symbol	Sales		Symbol	Assets	
		2005	2004		2005	2004		2005	2004
1	PTT	85,521	62,666	PTT	929,716	644,694	PTT	649,807	487,226
2	SCC	32,236	36,483	TOP	249,111	184,801	THAI *	249,253	208,198
3	PTTEP	23,735	15,866	SCC	218,264	192,395	SCC	199,370	191,081
4	ADVANC	18,909	20,258	THAI *	165,304	157,412	PTTEP	143,317	111,945
5	TOP	18,753	15,073	CPF	113,427	91,798	AOT *	140,115	116,551
6	PTTCH	12,925	10,174	CP7-11	94,356	74,622	TOP	124,169	115,427
7	AOT *	8,878	5,703	ADVANC	92,517	96,437	ADVANC	119,014	121,168
8	SHIN	8,573	8,700	BCP	85,870	79,848	TRUE	108,058	102,625
9	CPF	6,747	1,237	PTTEP	68,354	47,795	CPF	89,098	72,218
10	PSL	6,177	4,750	ATC	62,631	52,336	PTTCH	86,518	67,902
	Sub Total	270,974	240,193	Sub Total	2,562,729	2,041,657	Sub Total	2,485,001	2,112,425
	% of Grand Total	76%	65%	% of Grand Total	64%	62%	% of Grand Total	57%	55%
	Grand Total	356,995	368,718	Grand Total	4,018,549	3,304,746	Grand Total	4,333,362	3,813,258

Remarks: * Companies' accounting periods are different from the calendar year.

Thailand's New mai President to Continue Business Plan

The new President of the Market for Alternative Investment (mai), Mr. Chanitr Charnchainarong, will strongly promote investment on Thailand's secondary market and encourage more information releases.

Mr. Chanitr revealed that the mai's business direction in 2006 will stay in line with the plan set by Mr. Vichate Tantiwanich, Chairman of the mai Advisory Committee. As part of the original plan, the new President will visit high-ranking executives of listed firms to discuss their business plans so that the mai can provide better support, promote maximum operational efficiency, and encourage investment in these companies by disseminating more information.

As of end-2005, 35 mai-listed companies have submitted their 2005 financial statements, revealing a total net profit of THB1.214 billion (USD31.13 million). 16 of them, or 46% of all listed firms, showed a collective y-o-y growth in net profits. The entire market saw total sales of THB23.495 billion (USD602.44 million), compared with THB19.207 billion (USD492.49 million) from last year, a 22% y-o-y rise.

Mr. Chanitr added: "Even though listed companies reported increased sales, profits of firms in

the manufacturing sector decreased due to higher sales costs from rising crude oil prices. Oil price hikes brought about corresponding price fluctuations in raw materials."



In terms of dividend yields, although collective profits fell, yet their dividend payouts remain satisfactory, especially year-end dividends. Even if mid-year dividends are excluded, the mai's dividend yield stands at 5%. The total market value of the mai has now reached THB15.45 billion (USD396.15 million).

Investors interested in mai investments can find more information from stock analyses posted on its website at www.mai.or.th, or SETTRADE.Com's website at www.settrade.com, or contact S-E-T Call center at tel: (66) 2229-2222.

Top Ten Companies with Greatest Net Profit and Sales

	Symbol	Net Profit (THB million)	
		2005	2004
1	GFM	203.32	106.98
2	UMS	164.50	134.54
3	UEC	155.00	102.11
4	TMW*	100.13	127.85
5	MACO	66.97	84.55
6	L&E	62.48	44.14
7	ILINK	60.82	40.04
8	ACAP	53.79	10.55
9	CHUO	50.35	12.75
10	LVT	50.19	43.92
	Sub Total	967.55	707.43
	% of Grand Total	79.71%	42.94%
	Grand Total	1,213.83	1,647.44

	Symbol	Sales (THB million)	
		2005	2004
1	PPM	2,384.87	1,350.58
2	TMW*	1,790.31	1,661.77
3	L&E	1,388.88	1,130.55
4	YUASA	1,338.12	1,201.03
5	CHUO	1,278.79	1,176.02
6	KASET	1,166.89	1,231.39
7	UMS	1,126.00	963.00
8	GFM	1,092.79	935.11
9	UEC	1,070.44	879.26
10	IRCP	1,007.39	746.54
	Sub Total	13,644.48	11,275.25
	% of Grand Total	58.07%	58.70%
	Grand Total	23,494.98	19,206.74

Remarks: * TMW's fiscal year end is March 31.

City Steel Pcl. manufactures and distributes a wide variety of steel, stainless, and aluminum products and services to meet its customers’ specific needs. The company’s main clients are in the automotive and construction industries. CITY is a 99.99% owner of two subsidiaries: Siam ISO PRO Co. Ltd. and Mark Worldwide Co. Ltd.

CITY....a leader in metal fabrication

The City Steel group’s products can be classified into five categories:

1. Manufacture and sale of Metal Fabrication
2. Manufacture and sale Storage Systems and Material Handling Equipment
3. Manufacture and sale of First Class Steel Service and Full Steel Service
4. Manufacture and sale of Other Steel Products
5. Sale of metal and related parts

Mr. Komgrich Phongratanadechachai, Chief Executive Officer of City Steel Pcl., revealed the company’s key strength: *“What differentiates us from other steel players is ‘QCDDS.’ ‘Q’ is for Quality. The standardization of our product quality is certified by ISO 9001:2000. We design a wide variety of products to serve customers’ needs and manufacture all the products with consistency. ‘C’ is for Competitive price. The prices are established at a competitive rate to strengthen our business position in the market. ‘D’ is for Delivery. We have a punctual delivery schedule. Another ‘D’ is for Design. Even though we manufacture metal products to orders of our customers, we also offer product design services. Since we have the slogan ‘Our service always starts before selling,’ we provide consultancy services, free-of-charge product design, and after-sales service.”*

The company and its subsidiary have a total production capacity of 16,000 tons a year, from two factories and one steel service center. The production capacities of the Company’s factory and steel service center are 5,000 and 2,000 tons a year, respectively. In addition, the production capacity of ISO PRO’s factory is 9,000 tons a year. Moreover, MWW’s factory, with a production capacity of 9,000 tons a year, is under

	Q1/2006 Ended 31 Oct. 2005	Q1/2005 Ended 31 Oct. 2004	Yearly Ended 31 July 2005
Total revenues	142.51	132.44	493.10
Net profit	39.91	33.53	135.26

City Steel Pcl. (CITY)



Mr. Komgrich Phongratanadechachai
Chief Executive Officer

construction and expects to operate within Q3/2006. Consequently, the company and its subsidiary will have a combined total production capacity of 25,000 tons a year.

“Although market competition is quite high today, we are able to be the leader. As long as we know what our customers want and serve their needs with the best product quality and excellent services, we are confident that we can maintain our position,” said Mr. Komgrich.

Raising funds on the SET to expand its business horizon

City Steel Pcl. listed in the Property and Construction Industry Group, Construction Materials Sector, and commenced trading on February 23, 2006, using “CITY” as their trading symbol. CITY was the 2nd newly-listed company on the Thai bourse in 2006.

CITY has THB300 million (approx. USD7.61 million) in registered capital. It is comprised of 210 million existing shares and 90 million capital increase shares, with a par value of THB1.00 each. During February 9 – 10, 2006, the company sold its capital increase shares in its initial public offering (IPO); 89.1 million shares were sold to the public and an additional 0.9 million shares were sold to the group’s directors and employees at THB2.94 per share. BT Securities Co., Ltd. acted as the company’s financial advisor.

After the capital increase, CITY’s principal shareholders are the Phongratanadechachai family, who collectively hold 70% of the company’s stake. This includes the 33.10% stake of Mr. Wibool and Mr. Keng Phongratanadechachai and the 35.42% of Mr. Komgrich, Mr. Satit, and Ms. Suputra.

For more information on City Steel Pcl., please browse the company’s website at www.citysteelpcl.com, the SET website, www.set.or.th, and SETTRADE.Com’s website at www.settrade.com

Thai Bourse Aligns Firms' Governance Closer to OECD Standards

The Stock Exchange of Thailand (SET) has improved its corporate governance (CG) guidelines for listed companies to be more in line with OECD's principles. Emphasis is on shareholders' rights, equitable treatment of shareholders, roles of stakeholders, information disclosure and transparency, and director's responsibilities. Listed firms are requested to comply to and annually report their implementation starting from 2007.

The SET Board of Governors resolved to adjust the 15 good CG principles it has provided as guidelines for listed companies since 2002 to be more in line with those of the OECD (Organization for Economic Co-operation and Development) and the World Bank's Corporate Governance-Reports on the Observance of Standards and Codes (CG-ROSC).

In 2005 the Thai listed companies scored 69% in their overall CG rating, increasing from 60% in 2003. The SET50 companies performed even better: their overall score rose from 66% to 79%.

The SET board therefore viewed that the adjustments to its guidelines would bring Thai CG more in line with international standards, hence creating greater confidence in the Thai capital market.

The adjustments made to the CG principle guidelines include an expansion to the existing principles. The SET has actually been improving its guidelines to enable firms to have a clearer understanding of, and be better able to conform to, the base principles. The new additions are concerned with directors' responsibilities, an area that Thai companies need to develop further.

The revision to the CG principles for listed companies is a collaborative effort of the Listed Companies Association and representatives from listed companies in making the draft, and the advisory team of the SET's CG Center.

The objective of providing this guideline is to enable companies to better 'comply or explain', i.e., each of the CG principles can be adopted or adapted according to each company's individual conditions. Firms are requested to report their compliance or their substitute policy(-ies) in any case(s) where they have not comply with a specific principle or principles.

Companies should report their implementation of CG principles in their annual information report form (or 56-1 form) as well as their annual reports starting with their 2007 documents, to be submitted by March and April 2008, respectively. Meanwhile the SET's CG Center will be providing advisory assistance, producing

practical guidelines on the added principles, as well as educating the companies' management.

The additions to the SET's CG principles for companies in 2006 can be summarized as follows:

- 1. Shareholders' Rights:** Additional good practices concerned with providing information about shareholders' meetings on the companies' websites, so that shareholders will be able to study information before obtaining the hardcopy, and submit questions before the meeting.
- 2. Equitable Treatment to Shareholders:** Additional good practices concerned with providing opportunities for minor shareholders to propose meeting agenda items and nominate board members in advance as well as disclosing information on the stakes of directors, management, and related persons so that board members can consider if any conflicts of interest exist. Other issues include the provision that, unless absolutely necessary, non-executive directors should not be allowed to add issues to the meeting agenda without advance notice; requesting the use of voting cards for important agenda issues, and selecting individual board members.
- 3. Roles of Stakeholders:** Additional good practices concerned with notifying board members about law violation issues, correctness of financial statements, problems with the internal audit system or unethical conduct, providing a protective mechanism for whistle blowers who report problems in the company, plus setting a policy on environmental and social responsibilities.
- 4. Information Disclosure and Transparency:** Additional good practices concerned with disclosure of the performance of board members and sub-committee members over the previous year, corporate policy on environmental and social responsibilities, website information, and the remuneration received by directors for acting as directors on related companies' boards.
- 5. Directors' Responsibilities:** Additional good practices concerned with the transparency process of selecting directors. There should be a nomination committee appointed, and other additions to this category are:
 - 5.1 Board structure:** There should be clear term periods specified, specified qualifications for independent directors, limitations on the number of companies directors can hold positions in, policies and rules concerning taking on additional

positions as a director, CEO, or corporate secretary in other companies.

5.2 Sub-committee: Most of the members should be independent directors. The committee chairman shouldn't chair any of its sub-committees.

5.3 Roles and responsibilities: There should be a review of corporate CG policy, internal audit, and risk management at least once a year.

5.4 Meetings: If a company doesn't meet on a monthly basis, it should produce a performance report to the directors each month. The company's chairman and CEO should jointly select the meeting agendas. Each director can independently propose meeting agendas. The senior management should attend board meetings to explain issues they are directly responsible for. The directors may request more information from the CEO and corporate

secretary as part of accepted practices. Non-executive directors can meet amongst themselves as deemed necessary.

5.5 Self-assessment: There should be an annual self-assessment of directors.

5.6 Remuneration: Remuneration of the CEO should be based on an assessment by the board's non-executive directors or by a remuneration committee, using the documented agreement made in advance with the CEO.

5.7 Development of the directors and management: There should be training and education for new directors about the company's business, so that they understand their roles and responsibilities. There should also be plans so that the future directors can carry on the company's work seamlessly. ✍

Thai Bourse's IT System Can Accommodate Expansion of Capital Market

The Stock Exchange of Thailand's (SET) information technology (IT) development is progressing as scheduled and will adequately serve all markets, as well as accommodate the growing number of transactions. Future emphasis will be on collaboration with SET members to develop the entire operational system.

SET EVP, Mr. Chaiyoot Chamnanlertkit, announced that in 2005 the SET's IT Department developed its system structures to support the Exchange's expanding role as the trade center for all types of securities and instruments, including derivatives (which are to be launched on April 28, 2006).

"The SET meets quarterly with its member companies to summarize our latest Information Technology (IT) developments and discuss other expansion issues. The SET is confident our IT system can accommodate the growing trading volume, especially in the equity market, which is expected to see about 100 new listings in 2006, boosting the daily trading turnover to THB24 billion, or a 50% increase over 2005."

Last year, the SET's IT Department achieved its goal of improving all principal system structures to be better in line with current technological advancements, and can maintain its trading system's stability while coping smoothly with any problems that may arise during transactions without having to halt trading.

"Our goal in 2006 is to ensure the readiness of our IT system to accommodate more diversified

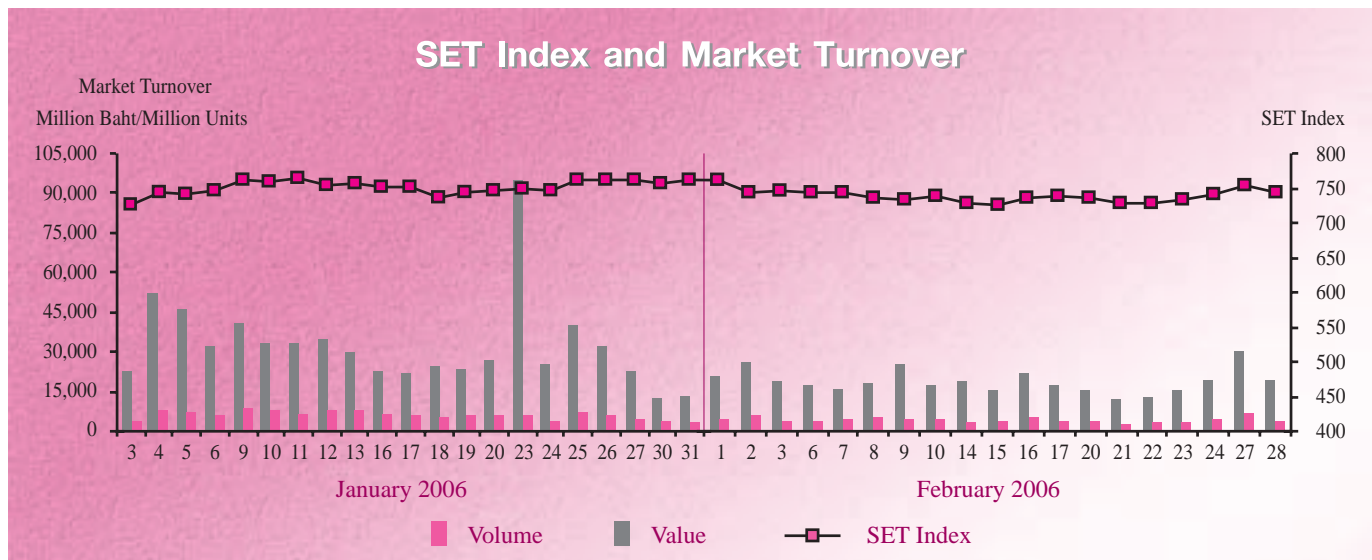


Mr. Chaiyoot Chamnanlertkit

investment options, the growth of both the equity and debt markets and the launch of derivatives. The SET has been working with member securities companies to better ensure stability in our trading system overall. There were several discussions and joint preparations to help all members mutually develop

their systems, personnel and related work, as well as to help them become more skillful with the system so that they can provide more timely maintenance whenever a technical problem occurs. This will better assure that our entire interconnected work system will operate more efficiently and be ready for future developments," Mr. Chaiyoot said.

In accordance with the second Thai Capital Market Master Plan, various parties will cooperate to boost the supply and number of institutional investors in the equity market, the debt market will be expanded by an increase in the number of government and corporate bonds so as to swell the bond market's volume to be near to that of the financial sector, and financial innovations will be promoted. As already noted, the derivatives market will be launched in April. ✍



The Stock Price Indices in February 2006

Index	High (Date)	Low (Date)	Close	
			February 2006	Compared with January 2006 (%)
SET	760.36 (1)	725.73 (15)	744.05	↓ 2.44%
SET50	539.35 (1)	509.48 (15)	524.62	↓ 2.85%
SET100*	1,172.98 (1)	1,111.63 (15)	1,142.59	↓ 2.73%
mai	168.07 (27)	159.38 (2)	167.46	↑ 3.39%

* The SET100 Index was launched on May 3, 2005.

Stock Market Turnover in February 2006

	Volume (Million Shares)				Value (Million Baht)				
	February 2006		Compared with January 2006 (%)		February 2006		Compared with January 2006 (%)		
	SET	mai	SET	mai	SET	mai	SET	mai	
Total	71,749.23	448.90	↓ 38.12%	↓ 16.13%	Total	348,207.07	1,524.96	↓ 48.19%	↑ 9.57%
Daily Average	3,776.28	23.63	↓ 31.61%	↓ 7.30%	Daily Average	18,326.69	80.26	↓ 42.73%	↑ 21.09%

Statistics of Listed Debentures in February 2006

Issues	Listed Debentures		Total Turnover	
	Units	Total Outstanding Value (Million Baht)	Units	Value (Million Baht)
78	338,603,000	318,916.68	21,900	21.38

Transactions by Type of Investors**

Unit : Million Baht

Type of Investors	January 2006				February 2006			
	Buy	%	Sell	%	Buy	%	Sell	%
Foreigners (corporate & individual)	218,042.67	32.38	143,225.43	21.27	133,951.02	38.30	114,806.44	32.83
Local Institutions*	48,373.72	7.18	72,411.61	10.75	33,215.24	9.50	37,195.07	10.63
Local Investors	407,043.86	60.44	457,823.21	67.98	182,565.77	52.20	197,730.52	56.54
Total	673,460.25	100.00	673,460.25	100.00	349,732.03	100.00	349,732.03	100.00

* Including securities companies, mutual funds, banks, finance firms, insurance companies, juridical entities and provident funds

** Including transactions of the mai

Top Ten Securities with Highest Market Value in February 2006

Rank	Securities		Market Value	
			Million Baht	% of Total
1	PTT	PTT	699,311.43	13.46
2	PTT Exploration and Production	PTTEP	340,594.44	6.56
3	The Siam Cement	SCC	290,400.00	5.59
4	Advanced Info Service	ADVANC	279,020.04	5.37
5	Bangkok Bank	BBL	223,334.62	4.30
6	Kasikornbank	KBANK	159,539.59	3.07
7	Shin Corporation	SHIN	145,610.24	2.80
8	Thai Petrochemical Industry	TPI	141,375.00	2.72
9	Krung Thai Bank	KTB	137,510.91	2.65
10	Thai Oil	TOP	123,421.69	2.38
Total			2,540,117.96	48.90

Top Ten Most Actively Traded Securities (Main Board) in February 2006

Rank	Securities		Number of Securities	Turnover Value	
				Million Baht	% of Total
1	PTT	PTT	86,988,174	21,576.95	6.57
2	Thai Petrochemical Industry	TPI	2,800,492,451	20,756.31	6.32
3	Shin Corporation	SHIN	387,255,116	18,657.66	5.68
4	Bangkok Bank	BBL	101,069,165	11,569.64	3.52
5	PTT Exploration and Production	PTTEP	21,282,060	11,291.32	3.44
6	Thai Oil	TOP	174,049,805	10,636.24	3.24
7	BNT Entertainment	BNT	11,590,069,167	9,876.18	3.01
8	The Siam Commercial Bank	SCB	153,666,088	9,236.42	2.81
9	Advanced Info Service	ADVANC	86,416,345	8,459.91	2.57
10	Kasikornbank	KBANK	124,855,122	8,385.79	2.55
Total			15,526,143,493	130,446.41	39.71

* Excluding transactions on Foreign Board and the mai

Top Ten Most Actively Traded Securities (Foreign Board) in February 2006

Rank	Securities		Number of Securities	Turnover Value	
				Million Baht	% of Total
1	Bangkok Bank	BBL-F	57,546,806	7,091.19	36.12
2	Kasikornbank	KBANK-F	69,344,860	4,831.58	24.61
3	The Siam Cement	SCC-F	13,060,480	3,477.41	17.71
4	Shin Corporation	SHIN-F	22,991,200	1,106.00	5.63
5	Land and Houses	LH-F	93,215,182	884.58	4.51
6	Bank of Ayudhya	BAY-F	26,851,500	479.77	2.44
7	Siam City Bank	SCIB-F	15,235,200	389.67	1.98
8	Tisco Bank	TISCO-F	10,432,500	287.26	1.46
9	National Finance	NFS-F	10,780,500	157.74	0.80
10	Thai Union Frozen Products	TUF-F	4,662,050	141.17	0.72
Total			324,120,278	18,846.38	96.00

* Excluding transactions of the mai

Top Ten Outstanding Non-Voting Depository Receipts (NVDRs) in February 2006 By Percentage of Paid-up Capital

Rank	Securities		Number of NVDRs	% of Paid-up Capital
1	Tisco Finance	TISCO	211,631,225	39.12
2	Golden Land Property Development	GOLD	216,858,472	34.42
3	Raimon Land	RAIMON-W	342,255,730	30.44
4	Shin Corporation	SHIN-W1	46,450,400	29.14
5	Aapico Hitech	AH	66,709,466	27.80
6	Land and Houses	LH	2,038,836,789	24.52
7	Univentures	UV	127,722,549	24.08
8	Delta Electronics (Thailand)	DELTA-W2	2,051,300	24.04
9	L.P.N. Development	LPN	334,739,693	22.68
10	Supalai	SPALI	273,540,237	21.95

Top Ten Outstanding Non-Voting Depository Receipts (NVDRs) in February 2006 By Number of NVDRs

Rank	Securities		Number of NVDRs	% of Paid-up Capital
1	Bangkok Land	BLAND	2,199,674,225	15.77
2	Land and Houses	LH	2,038,836,789	24.52
3	Kasikornbank	KBANK	506,391,770	21.27
4	Bank of Ayudhya	BAY	458,019,277	15.95
5	Asian Property Development	AP	398,939,862	17.55
6	Bangkok Bank	BBL	366,900,035	19.22
7	Raimon Land	RAIMON-W	342,255,730	30.44
8	L.P.N. Development	LPN	334,739,693	22.68
9	Supalai	SPALI	273,540,237	21.95
10	Golden Land Property Development	GOLD	216,858,472	34.42

SET Activities

City Steel Pcl. Welcomed to the Thai Bourse

On February 23, 2006, The SET welcomed **City Steel Pcl. (CITY)**, a producer and distributor of metal fabrications, storage systems and first-class steel services, to the SET. ✍



SET Hosts "Give Books to Libraries for Charity" Program



The SET, in collaboration with the Federation of Thai Capital Market Organizations (FeTCO), hosted the **"Give Books to Libraries for Charity"** program in February 2006. The event collected books for libraries in educational institutions and communities, to help create a learning society in Thailand. The program has received good feedback from the relevant parties and the general public. Over 46,000 books and publications have been donated so far. ✍

The SET Joins Money Expo in the Northeastern Region

The SET and its subsidiaries joined the **'Money Expo'** in Nakorn Ratchasima province in Northeast Thailand on February 17 – 19, 2006. Deputy Prime Minister Suwat Liptapanlop presided over the opening. The event's aim was to promote a greater understanding about stocks, bonds, derivatives, and mutual funds amongst Northeastern investors.



Participating organizations included the SET, Market for Alternative Investment (mai), Bond Electronic Exchange (BEX), Thailand Futures Exchange Pcl. (TFEX), Thailand Securities Institute (TSI), Thailand Securities Depository Co. Ltd. (TSD), SETTRADE.Com Co. Ltd., the Money Channel, the 'Put Your Money to Work with Mutual Funds' Project, and Agricultural Exchange of Thailand (AFET).



Apart from the dozens of exhibitions and showcases, there were small-group seminars and discussions on several interesting topics, including *"Easy Portfolio Diversification"*, *"Easy Things to Learn about Bonds"*, *"Preparing for the SET50 Index Futures with TFEX"*, *"Internet Trading and SETTRADE's Services"*.

In addition, approximately 1,000 copies of the collection of securities research for 2006 were given away for free to visitors at the SET Booth. The event drew considerable attention from investors. ✍

"Derivatives Fun Fair" at the Thai Investors' Day

On March 4-5, Thailand Futures Exchange Pcl. (TFEX) held the **"Derivatives Fun Fair"** at the **"Thai Investors' Day"**, to educate investors on derivatives products utilizing an entertaining approach. The event focused on unveiling the features and trading procedures of the SET50 Index Futures.

The **"Derivatives Fun Fair"** was well-received, with more than 4,000 investors attending the event, and crowded seminar rooms throughout the day, while more than a thousand people opened accounts for derivative trading during the fair.

Apart from the seminars, which drew in more than 1,500 attendees, most investors were also interested in the trading simulation being demonstrated, called the **"Futures Simulation Game"**. Participants were attracted to the game because they were allowed to make trading orders by themselves, an action they said could help them become more familiar with real trading situations. Several booths set up by brokers also attracted large numbers of event-goers. ✍

